

NEWS FROM TENNESSEE ECD

# DEVELOPMENTS

Volume 1, Issue 4



## Expanding the Health Care Hub

Unique 'Medical Mart' Planned for Downtown Nashville

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★  
**IN  
THIS  
ISSUE**

★  
**On the  
COVER**

Urban development means big business in Tennessee's health care industry. The world's first medical trade center is coming to Nashville.

*Read more about the project  
on page 3.*



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Hemlock Breaks New Ground in Clarksville



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TN Business Climate Tops Again



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Governor, Commissioner Sell TN in Asia



## Comments from Commissioner

*Matt Kiser*



Over the last seven years, Governor Bredesen and I have worked hard to redefine Tennessee's job creation strategy. We've made our state a more attractive location for businesses looking to relocate or expand, and we've changed the way we recruit those businesses.

One aspect of our improved approach is to aggressively pursue what we call "anchor projects." These anchor projects are stalwarts of their industries: companies that are such movers and shakers that material suppliers and wholesale customers are compelled to locate operations nearby. As a result, one anchor company's decision to locate in Tennessee sets off a ripple effect of capital investment and job creation by related companies.

It has been with this goal in mind that we've focused part of our energy on going after transformational projects. In July 2008, we were gratified to welcome a true anchor project: Volkswagen announced the location of a \$1 billion plant at Enterprise South in Chattanooga. That facility is slated to create 2,000 direct jobs and 9,000 indirect jobs. Just six months later, Hemlock Semiconductor announced they would invest \$1.2 billion and create 500 jobs in Clarksville, followed shortly by Wacker Chemie's announcement that they would locate a \$1 billion facility and create 500 jobs outside Cleveland.

Today, in the early part of 2010, we are already beginning to see the results of VW, Hemlock and Wacker dropping their anchors in Tennessee. We announced in late January that Confluence Solar, a producer of mono-crystal silicon ingots for photovoltaic solar power generation, will invest \$200 million and create 250 jobs in Clinton, Tenn. Confluence's decision is a direct result of the investments by Hemlock and Wacker, and its location in Clinton affirms our anchor project strategy.

On the automotive side, Volkswagen is in the process of lining up suppliers, and many of those firms are expanding in Tennessee to keep pace with the coming demand. For example, SL Tennessee in Clinton received a contract with VW to supply automotive shifter assemblies to Volkswagen Group in North America. The company will create 300 new jobs.

As Tennessee's anchor projects grow toward full production, and as new industry leaders put down roots in our state, we're beginning to see our strategy pay off. In a time of heightened economic competition, dividend-producing anchor projects do, and will continue to, make the difference in Tennessee. ■

## ECD In Brief

### Grants Improve Community Infrastructure

In October, Governor Phil Bredesen and ECD Commissioner Matt Kiser named 72 communities across the state as recipients of more than \$28 million in Community Development Block Grants (CDBG). The CDBG Grants afforded communities to improve infrastructure needs in the areas of housing, community livability, sewer systems and lines and water systems and lines.



### Solar Symposium Shines Light on Tennessee



Economic development professionals and site location consultants gathered in Nashville for the Tennessee Solar Symposium in November. Governor Phil Bredesen and ECD Commissioner Matt Kiser spoke to the current solar environment in Tennessee and the opportunities about challenges moving forward as the clean energy sector continues to develop in the state.

### Rebates Will Improve Appliance Efficiency

Through the Energy Star Appliance Rebate Program, Tennesseans will be eligible to earn rebates on specified appliances, including air source heat pumps, central air conditioners and room air conditioners with the Energy Star® designation. The program will launch in Spring 2010 and will not be retroactive.



## ECD Commissioner At Work

- Oct. 7:** Original Equipment Suppliers Association Regional Meeting in Nashville
- Oct. 14:** West Tennessee Mayors Association Meeting in Jackson
- Oct. 17-20:** Southeast U.S./Japan Association Annual Meeting in Tokyo, Japan
- Oct. 21-30:** 2009 China Trade Mission in Beijing, Xian, Hangzhou and Hong Kong, China
- Nov. 2:** Tennessee Society of CPA's 2009 State Tax Conference in Brentwood
- Nov. 3:** Tennessee Tourism Initiative Press Conference in Franklin
- Nov. 9:** Osher Lifelong Learning at Vanderbilt in Nashville
- Nov. 10:** Tennessee Economic Partnership Solar Symposium in Nashville
- Nov. 13:** "Meeting Renewable Energy's Technology Challenge" Luncheon in Memphis
- Nov. 17:** Medtronic Ribbon Cutting Ceremony in Memphis
- Nov. 18:** ECD Budget Presentation in Nashville
- Nov. 19:** Regional Center for Advanced Manufacturing Open House Ceremony in Kingsport
- Dec. 3:** Newell Rubbermaid Liquid Manufacturing & Technology Center Grand Opening in Manchester
- Dec. 9:** West Tennessee Industrial Association Allies Meeting in Humboldt
- Dec. 10:** Tennessee Automotive Manufacturers Association Meeting in Franklin
- Dec. 10:** Reception to Celebrate the Birthday of His Majesty the Emperor of Japan and the 20th Anniversary of His Majesty's Accession to the Throne in Nashville
- Dec. 11:** 24th Annual Symposium for the Tennessee Chapter of the American Society for Public Administration in Nashville
- Dec. 18:** Southeast Community Capital 10th Anniversary Celebration in Nashville



# Commissioners Kisber, Farr Announce TNInvestco Finalists

ECD Commissioner Matt Kisber and Revenue Commissioner Reagan Farr announced six participants and two alternates for the TNInvestco program in November.



The participants are:

- **Tennessee Community Ventures Fund, LLC**  
Nashville, Tenn.
- **XMi High Growth Development Fund, LLC**  
Nashville and Chattanooga, Tenn.
- **Limestone Fund, LLC**  
Nashville, Tenn.
- **Tri-Star Technology Fund, LLC**  
Nashville, Tenn.
- **Innova Fund II, LP**  
Memphis, Tenn.
- **Council & Enhanced Tennessee Fund, LLC**  
Nashville, Tenn.

The two alternate funds are:

- **Solidus-TNInvestco LLC**  
Nashville, Memphis, Chattanooga and Oak Ridge, Tenn.
- **Tennessee Angel Fund**  
Nashville, Tenn.

Each of the six TNInvestco funds received an allocation of \$20 million dollars in gross premiums tax credits. The sale of \$120 million in tax credits by the six TNInvestco funds has raised approximately \$85 million in early and mid stage capital for the funds to invest in Tennessee companies. In addition, Commissioners Kisber and Farr also plan to request an additional \$40 million dollars in tax credits from the Tennessee General Assembly during the 2010 session in order to allow the two alternate funds to proceed as well.

The goals of TNInvestco as outlined by the commissioners are to develop Tennessee's entrepreneurial infrastructure, to bring additional capital into the state, to diversify the state's economy and to create "anchors" or "clusters" of business innovation, which can result in new companies being created or spun off and new talent being attracted to Tennessee.



*ECD Commissioner Matt Kisber and Revenue Commissioner Reagan Farr announced the TNInvestco finalists and alternates in November.*

## Tennessee's Economic Development Booms in 2009

ECD'S TOP PROJECTS OF 2009			
Company	Location	Jobs Created	Investment
Science Applications International Corp	Oak Ridge	800	Expansion
Flextronics Logistics	Memphis	740	Expansion
Simplex Healthcare	Brentwood	528	Expansion
Wacker Chemie	Cleveland	500	New - \$1 billion
Ordnance Systems, Inc.	Kingsport	474	Expansion
Carlisle Tire & Wheel	Jackson	440	New - \$54 million
Norfolk Southern Corp	Rossville	429	Expansion - \$120 million
Akebono	Clarksville	300	New - \$13.5 million
Unilever	Covington	275	Expansion - \$100 million
Standard Candy Company, Inc.	Nashville	260	Expansion
Five Star Custom Foods	Nashville	250	New - \$20 million
Gestamp Corporation	Chattanooga	230	New - \$90 million
Delta Faucet Company	Jackson	220	Expansion
ISR Group, Inc.	Savannah	204	Expansion - \$700,000
BJS North America	Dandridge	150	Expansion - \$7 million
Conwood Corp	Memphis	25	Expansion - \$133 million
Packaging Corp of America	Counce	n/a	New - \$129 million

2009 was another banner year for Tennessee's economy. In fact, the state was honored with a number of economic development accolades, including Business Facilities' State of the Year Award for 2009 and Area Development's prestigious Gold Shovel Award, presented annually to the state achieving the most success in terms of job creation and economic impact.

Through the leadership of Governor Phil Bredesen and ECD Commissioner Matt Kisber, more than 770 successful economic development projects generated more than 16,700 new jobs and \$3.1 billion in capital investment in 2009. In sum, that's more than 179,000 new jobs, \$29 billion in



capital investment and 49 corporate headquarters locations since Governor Bredesen took office in 2003.

"Tennessee's track record in 2009 continues to affirm our state's ability to produce job creation and investment results, even in the midst of one of the most challenging economic environments in decades," Commissioner Kisber said. "I am proud of both my dedicated, talented team and our valuable partners across the state. We look forward to even more success stories in 2010."





# Expanding the Health Care Hub

## MCMC Brings World's First Medical Trade Center to Nashville

Downtown economic development efforts in Nashville received a shot in the arm last November when Dallas-based Market Center Management Company (MCMC) announced it would build the world's first medical trade center on the site of the current Nashville Convention Center at 601 Commerce Street.

"As Governor Bredesen and I have traveled around the world, Tennessee's expertise in health care services, medical devices and medical research and development is well known," said Commissioner Kisber. "The successful completion of this project will only add to Nashville and to Tennessee's strong reputation as a center of excellence in health care."

The Nashville Medical Trade Center is slated to occupy a yet-to-be-built 12-story tower above the existing convention center with more than 1.5 million square feet of exhibit space, including permanent exhibit space for more than 600 medical equipment companies, display space for temporary trade shows and a medical educa-

tion and symposium center. Health care providers will be able to visit the Trade Center as a one-stop-shop to compare medical products ranging from hospital beds to MRI machines.

In all, the project would bring the total available space at the Nashville Medical Trade Center to approximately

(See Med Mart, page 6)



Governor Phil Bredesen speaks at the unveiling of the Nashville Medical Trade Center in November.

The Nashville Medical Trade Center will rise 12 floors above the existing convention center site and boast 1.5 million square feet of exhibit space.

## Top 10 Tennessee Projects - Fourth Quarter 2009



**ABMA, LLC**  
Clarksville – Expansion

**What they do:** Manufacture hubs and rotors.  
**Jobs Created:** 282 new jobs.  
**Investment:** Confidential.



**Nike, Inc.**  
Memphis – New Location

**What they do:** Footwear return center.  
**Jobs Created:** 450 new jobs.  
**Investment:** Confidential.



**Delfield Company**  
Covington – Expansion

**What they do:** Manufacture food service equipment.  
**Jobs Created:** 195 new jobs.  
**Investment:** Confidential.



**Nissan North America, Inc.**  
Smyrna – Expansion

**What they do:** Manufacture automobiles and pick-up trucks.  
**Jobs Created:** 1,708 new jobs.  
**Investment:** \$2.5 billion.



**Goodman Company, L P**  
Fayetteville – Expansion

**What they do:** Manufacture furnaces and air conditioners.  
**Jobs Created:** 200 new jobs.  
**Investment:** Confidential.



**Oak Ridge National Laboratory Energy Research**  
Oak Ridge – Expansion

**What they do:** Research and development laboratory.  
**Jobs Created:** 304 new jobs.  
**Investment:** Confidential.



**Ordnance Systems, Inc.**  
Kingsport – Expansion

**What they do:** Manufacture conventional energetic materials  
**Jobs Created:** 474 new jobs.  
**Investment:** None.



**Sitel Worldwide Corporation**  
Memphis – Expansion

**What they do:** Telemarketing.  
**Jobs Created:** 400 new jobs.  
**Investment:** Confidential.



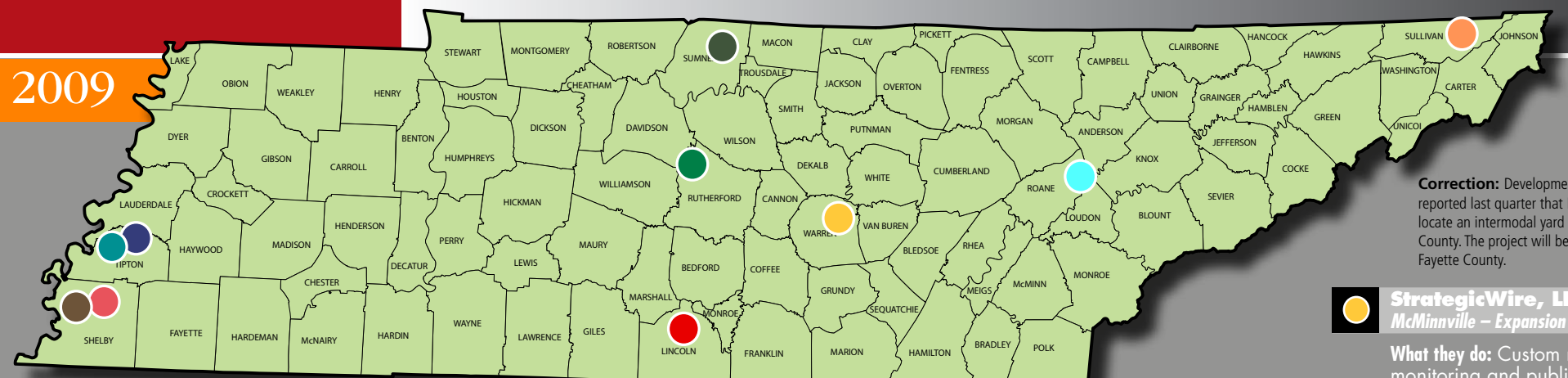
**Unilever**  
Covington – Expansion

**What they do:** Manufacture dietetic drink products.  
**Jobs Created:** 342 new jobs.  
**Investment:** \$100 million.



**StrategicWire, LLC**  
McMinnville – Expansion

**What they do:** Custom media monitoring and publishing.  
**Jobs Created:** 303 new jobs.  
**Investment:** Confidential.



**Correction:** Developments incorrectly reported last quarter that Norfolk Southern will locate an intermodal yard in Collierville, Shelby County. The project will be located in Rossville, Fayette County.



# Hemlock Celebrates Beginning of Clarksville Site Construction

Hemlock Semiconductor began a three-year building plan for its new facility in Clarksville this fall, with anticipated creation of 500 full-time jobs at project end.

Governor Phil Bredesen and ECD Commissioner Matt Kisber were on hand to commemorate the next step in Hemlock's move to Tennessee. They joined Rick Doornbos, president and CEO of Hemlock Semiconductor Corporation and Hemlock Semiconductor, LLC, and Dr. Stephanie Burns, chairman, president and CEO of Dow Corning, in unveiling an architectural drawing of the site located on "Solar Way."

The future polysilicon manufacturing facility will contain more than 150,000 cubic yards of concrete, 20,000 tons of structural steel and one million feet of piping. At construction's end, the facility will have the capacity to manufacture more than 10,000 metric tons of polysilicon, with production expansion capabilities of up to 21,000 metric tons. The Hemlock project is one of a number of ventures into the alternative energy market by Tennessee – Wacker Chemie also announced in 2009 its decision to locate in the Volunteer State, marking back-to-back clean energy corporate announcements for Tennessee.

Hemlock's decision to locate a major production facility in Tennessee was honored by Business Facilities magazine as the 2009 Silver Award Winner for Economic Development Deal of the Year.



*Hemlock Semiconductor broke ground late last year on their \$1.2 billion manufacturing plant in Clarksville.*

## Tennessee Honored Among Top Five States for Business Climate

For the fifth time in seven years, Tennessee has been ranked as one of the top five states in the U.S. for business climate by Site Selection magazine.

"I am pleased Tennessee is listed once again among the top five business climates in the country. This is a very competitive ranking by a very well-respected publication," said Commissioner Matt Kisber of the Department of Economic and Community Development. "We've worked hard to maintain our reputation as a state that is business-friendly by viewing job creation as a partnership between the state and local communities and designing projects according to a prospective company's individual needs."

The prestigious economic development publication uses each state's data of new and expanded business facility projects, along with a survey of corporate site selectors to determine the business climate rankings.

Tennessee also ranked fifth among site selectors across the

country, who were also asked to rank the factors most crucial when selecting a location for a new facility. The top three factors named were transportation infrastructure, existing work force skills, and state and local tax schemes.

The announcement marks the seventh time in the past decade Tennessee has been listed among the top ten states for business climate. The closely watched annual rankings appeared in the November 2009 issue.

The Site Selection accolade is one of many that Tennessee collected in 2009 for its economic development efforts. Southern Business & Development magazine named Tennessee a co-state of the year and Governor Phil Bredesen, Commissioner Kisber and Revenue Commissioner Reagan Farr were named to the publication's Ten People Who Made a difference list. Tennessee also won Area Development magazine's prestigious Gold Shovel Award, which is presented annually to the state achieving the most success in terms of job creation and economic impact.

Over the last seven years, Tennessee's economic development approach has led to the creation of more than 179,000 new jobs and \$29 billion in new capital.



## Med Mart *(continued from page 4)*

2 million square feet. The company is also exploring a possible public interaction center facing Broadway, such as a museum or a broadcast center devoted to health care issues.

Developers estimate the cost of the project to be in the neighborhood of \$250 million and estimate it will create approximately 2,700 new jobs.

"This announcement means Tennessee will be home to an important new concept in the marketing and procurement of medical equipment, technology and services," Governor Phil Bredesen said. "The health care industry is a significant economic engine for our state and this project expands that footprint, representing a major investment in our state's health care economy."

Market Center Management Company has begun work on pre-leasing the proposed trade center's permanent exhibition space. Development is contingent on MCMC pre-leasing a significant amount of exhibit space and securing financing. The project took a giant step forward in January 2010 when the Nashville Metropolitan Council approved the construction of the Music City Center, a new convention center to



*ECD Commissioner Matt Kisber speaks at the announcement that MCMC will locate a Medical Trade Center in Nashville.*

take the place of the existing Commerce Street facility.

David Osborn, MCMC general manager, has said construction could begin as early as summer 2010 with a 2013 grand opening to coincide with the completion of the Music City Center.

## Governor, Commissioner sell Tennessee in Japan, China

Governor Phil Bredesen and ECD Commissioner Matt Kisber represented Tennessee in Japan and China last October during an international conference and a business- and health care-focused trade mission. The Southeast U.S./Japan Association held its annual joint meeting in Tokyo Oct. 18-20, hosting more than 500 delegates from across the American Southeast and Japan. The 2010 SEUS joint meeting will be held in Nashville.

Following the conference, the governor and the commissioner led a delegation of Tennessee business, technology and health care leaders to the Chinese cities of Beijing, Xi'an, Hangzhou and Hong Kong. Delegates met with Chinese business and government officials and explored opportunities for the two countries to encourage partnership and exchange.

"Despite the global recession, China's appetite for Tennessee products remains strong," said Commissioner Kisber. "We believe there are real opportunities for additional Tennessee companies to increase exports to China, and we want to increase China's knowledge about Tennessee's business friendly economic climate."



*The SEUS Japan Annual Meeting, pictured above in Tokyo, will be held in Nashville in 2010.*

China is Tennessee's third largest trading partner, following Canada and Mexico. In 2008, Chinese customers purchased more than \$1.3 billion dollars in Tennessee goods and services, with chemicals and agricultural products leading exports. Among the 50 U.S. states, Tennessee ranks 13th in the value of goods and services exported to China.

## Check out next quarter's Developments for updates on:

### • Tennessee Downtowns



### • Confluence Solar



### • Partnership: Three-Star & TNCPE





# TENNESSEE

DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT

312 ROSA L. PARKS AVENUE  
NASHVILLE, TENNESSEE 37243  
877.768.6374  
[www.tn.gov/ecd](http://www.tn.gov/ecd)



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